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A PROFESSIONAL CORPORATION

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BALTIMORE, MARYLAND 21202-1487

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MCLEAN, VA  
ROCKVILLE, MD  
TOWSON, MD  
WASHINGTON, D.C.

January 15, 1998

RECORDATION NO. 21168

FILED

JAN 16 '98

12-11 PM

via FEDERAL EXPRESS

Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001  
Attention: Mrs. Janice Fort  
Recordation

Re: Our File No.: 258-1799

Dear Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement dated as of December 31, 1997 between The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) and Penn Eastern Rail Lines, Inc. (96 S. George Street, York, Pennsylvania 17401).

Also enclosed is a check in the amount of \$24.00 to cover the costs of recording this document.

Once this document has been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. If you have any questions, please call me at (410) 385-3425.

Sincerely,

*Michele E. Sperato*

Michele E. Sperato  
Assistant to John A. Stalfort

Enclosures

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
JAN 16 12 11 PM '98

STATE OF MARYLAND

SS:

CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement is a true and complete copy of such Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement.

WITNESS my hand and seal this 15<sup>th</sup> day of January, 1998.

Michelle E. Sperato  
Notary Public

My Commission Expires: January 28, 2001

RECORDATION NO. 21168 FILED

JAN 16 '98

12-11 PM

# **THE FIRST NATIONAL BANK OF MARYLAND**

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## **MEMORANDUM OF SCHEDULE NO. 1 TO RAILROAD EQUIPMENT LEASE AGREEMENT**

**dated as of December 31, 1997**

**between**

**THE FIRST NATIONAL BANK OF MARYLAND,**

**as Lessor**

**and**

**PENN EASTERN RAIL LINES, INC.**

**as Lessee**

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MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILROAD EQUIPMENT  
LEASE AGREEMENT

THIS MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILROAD EQUIPMENT LEASE AGREEMENT is made and entered into as of December 31, 1997 by and between THE FIRST NATIONAL BANK OF MARYLAND, a national banking association ("Lessor"), and PENN EASTERN RAIL LINES, INC., a Delaware corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, certain locomotives as described on Exhibit A attached hereto and made a part hereof, all as more particularly described in that certain Schedule No. 1 dated December 31, 1997 between Lessor and Lessee to the Master Railroad Equipment Lease Agreement dated as of December 31, 1997 between Lessor and Lessee (collectively, the "Lease").
2. The Lease shall be effective as of the execution date thereof and the term of the Lease with respect to each locomotive shall be as set forth in Schedule No. 1.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement to be executed as of the date first above written.

THE FIRST NATIONAL BANK OF MARYLAND, Lessor

By: Richard M. Folio  
Richard M. Folio  
Vice President

PENN EASTERN RAIL LINES, INC.,  
Lessee

By: \_\_\_\_\_  
Name:  
Title:

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

On this 31<sup>st</sup> day of December, 1997 before me appeared, Richard M. Folio, to me personally known, who being by me duly sworn, says that he is an Vice President of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on December 31, 1997 on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Michael E. Sparto  
Notary Public

[Notary Seal]

My commission expires: January 28, 2001

MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILROAD EQUIPMENT  
LEASE AGREEMENT

THIS MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILROAD EQUIPMENT LEASE AGREEMENT is made and entered into as of December 31, 1997 by and between THE FIRST NATIONAL BANK OF MARYLAND, a national banking association ("Lessor"), and PENN EASTERN RAIL LINES, INC., a Delaware corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, certain locomotives as described on Exhibit A attached hereto and made a part hereof, all as more particularly described in that certain Schedule No. 1 dated December 31, 1997 between Lessor and Lessee to the Master Railroad Equipment Lease Agreement dated as of December 31, 1997 between Lessor and Lessee (collectively, the "Lease").
2. The Lease shall be effective as of the execution date thereof and the term of the Lease with respect to each locomotive shall be as set forth in Schedule No. 1.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement to be executed as of the date first above written.

THE FIRST NATIONAL BANK OF MARYLAND, Lessor

By: \_\_\_\_\_  
Richard M. Folio  
Vice President

PENN EASTERN RAIL LINES, INC.,  
Lessee

By: Scott F. Ziegler  
Name: Scott F. Ziegler  
Title: VP - Finance & Controller

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

On this \_\_\_\_ day of December, 1997 before me appeared, Richard M. Folio, to me personally known, who being by me duly sworn, says that he is an Vice President of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on December \_\_, 1997 on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

\_\_\_\_\_  
Notary Public

[Notary Seal]

My commission expires:

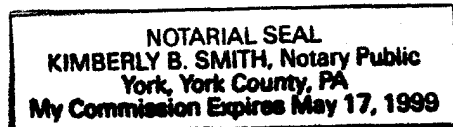
STATE OF PA, CITY OF York, TO WIT:

On this 31<sup>st</sup> day of December, 1997 before me appeared, Scott Ziegler, to me personally known, who being by me duly sworn, says that he is a VP Finance, of Penn Easter Rail Lines, Inc., a Delaware corporation, that said instrument was signed and sealed on December 31, 1997 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kimberly B. Smith  
Notary Public

[Notary Seal]

My commission expires:



J:Bond/Michele/Emon(1799)/FN179921.MEM/mes

### DESCRIPTION OF LOCOMOTIVES

1. EMD NW-2, Road No. CHTS 9008, Serial No. 4588
2. EMD GP-10, Road No. EPRY 75
3. EMD GP-10, Road No. LANO 57
4. GE U-28-B, Road No. LANO 261
5. GE 44 T, Road No. EPRY 4, Serial No. 31225
6. EMD SW 900, Road No. EPRY 52, Serial No. 649
7. EMD SW 900, Road No. EPRY 99
8. EMD NW-2, BITY 8203